

# **The New Silk Road: A Path to Regional Security?**



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## Introduction

Over two thousand years ago, Central Asia and Afghanistan were at the epicentre of the world's most extended network of commerce and caravan routes, the Silk Road. The 6,000-kilometre route linking Europe and Asia was opened by the Chinese Han dynasty during the 3<sup>rd</sup> century BC, resulting in inventions like paper and gunpowder arriving in Europe for the first time.

Samarkand and Bukhara in modern Uzbekistan, and Herat in Afghanistan, were some of the most vibrant and culturally rich centres on the Silk Road, enjoying a daily flux of merchants and pilgrims coming from all over the world.

After reaching its zenith of prosperity in the 8<sup>th</sup> century, the Silk Road started collapsing in the 16<sup>th</sup> century when the use of cheaper sea-routes to ship goods from Asia to Europe and vice versa increased.

“As trade dried up, Central Asia was also cut off from the technological and intellectual revolutions taking place elsewhere”,<sup>1</sup> and from a region where science and poetry flourished, it became a stagnant land unable to regain its “lost enlightenment”.<sup>2</sup>

Central Asia and Afghanistan link Europe and Asia, and thus represent a key location for global interests. Early 20<sup>th</sup> century geographer Sir Halford Mackinder described the region as the “Hearthland of Eurasia” and the “geographical pivot of history” on account of its strategic importance. This importance has not diminished, but commercial, cultural and economic exchanges have.

Intraregional trade in Central Asia is nowadays one of the least developed in the world. Tensions between neighbouring countries, underdeveloped infrastructures and restrictions to free trade, combined with lengthy and complicated border procedures, all play their part.<sup>3</sup> Seventy years of Soviet rule have left the region linked primarily to Russia, with roads and other infrastructures mostly leading to Moscow, which disrupts connectivity to the East and the South, especially Afghanistan and South Asia.

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<sup>1</sup> A. Kuchins; J. Mankoff, (2015). *Central Asia in a Reconnecting Eurasia: U.S. Policy Interests and Recommendations*. CSIS Russia and Eurasia Program, p. 6.

<sup>2</sup> F. Starr, (2013). *Lost Enlightenment: Central Asia's Golden Age from the Arab Conquest to Tamerlane*. Princeton University Press, Princeton.

<sup>3</sup> J. Linn (2012). *Central Asian Regional Integration and Cooperation: Reality or Mirage?*. Eurasian Development Bank, Almaty. [Available at] <http://www.isn.ethz.ch/Digital-Library/Publications/Detail/?lng=en&id=167522>

Central Asia and Afghanistan therefore need to develop both physical infrastructure, such as roads, railroads, pipelines and electricity grids, and soft infrastructure, including new laws, simpler border procedures and trade regulations.

Afghanistan, an historical transportation and trade hub, is nowadays seen as an impediment to trade between Central and South Asia. Plagued by decades of conflicts, Afghanistan's infrastructures have collapsed, making it the "cork in the bottle" which prevents the redevelopment of trade on the North-South corridor between Central and South Asia.<sup>4</sup>

Following the intervention of the NATO-led ISAF (International Security Assistance Force) coalition and the toppling of the Taliban regime, security in Afghanistan is slowly improving, and a democratically elected government is advocating western-style reforms from Kabul. However, the year 2014 marked the completion of withdrawal of the majority of ISAF forces from Afghanistan, leaving the country's neighbours with concerns about its stability.

Nonetheless, the US has clearly signalled its willingness to stay engaged in Afghanistan and in Central Asia, as confirmed by the elaboration of a new US Strategy for Central Asia, unveiled in March 2015<sup>5</sup>, and by the visit of US Secretary of State John Kerry to all five Central Asian republics in November 2015. Notably, Kerry participated in the first meeting of the C5+1, a new format of dialogue with the region launched by the US which brings together the five Central Asian foreign ministries and the US Secretary of State to discuss major foreign policy issues, with a special focus on developments in neighbouring Afghanistan.<sup>6</sup>

Central Asia remains of key importance for Washington, as US Deputy Secretary of State Antony Blinken underlined at a roundtable at the Washington-based Brookings Institute. According to the US official, the region can serve as a stabilising force for Afghanistan, and has enormous potential to become an economic bridge between Europe and Asia, full of business opportunities for Western investors.<sup>7</sup>

After the 9/11 terrorist attacks, US engagement in Central Asia has been almost exclusively focussed on security issues. Now Washington has an opportunity to broaden its scope of engagement, linking security to initiatives in support of regional economy and connectivity.<sup>8</sup> As US diplomat Robert Blake Jr. has noted, "regional interconnectedness is so important, both as a driver of economic development and as

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<sup>4</sup> F. Starr; A. Kuchins, (2010). *The Key to Success in Afghanistan: A Modern Silk Road Strategy*. Silk Road Papers, The Central Asia – Caucasus Institute & Silk Road Studies Program, Washington, p.21.

<sup>5</sup> C. Schreck, (2015). *U.S. Reassesses Central Asia Strategy*. Radio Free Europe Radio Liberty (RFERL) [Available at] <http://www.rferl.org/content/central-asia-us-reassess-strategy/26911854.html>

<sup>6</sup> F. Tolipov, (2015). *Pluses and Minuses of the C5+1 Format*. The Central Asia Caucasus Analyst. [Available at] <http://cacianalyst.org/publications/analytical-articles/item/13300-pluses-and-minuses-of-the-c5%201-format.html>

<sup>7</sup> <http://www.state.gov/s/d/2015/240013.htm>

<sup>8</sup> A. Kuchins; J. Mankoff, (2015). *Central Asia in a Reconnecting Eurasia: U.S. Policy Interests and Recommendations*, p.1.

an anchor of regional security.”<sup>9</sup> This vision lies at the basis of the main US initiative elaborated as part of the exit-strategy from Afghanistan, the New Silk Road (NSR) project, aimed at ensuring security by restoring the region to the prosperity experienced during the golden age of the Silk Road.

## What Is the New Silk Road?

The NSR initiative was announced by then-US Secretary of State Hillary Clinton during an official visit to India in July 2011.<sup>10</sup> It is envisaged that India and Pakistan will play a great role in the development of Afghanistan’s and Central Asia’s economies, acting as primary demand markets. The idea of the NSR had been elaborated by experts and policymakers in Washington, firstly by Frederick Starr, Chairman of the Washington-based Central Asia-Caucasus Institute, and then endorsed by the US Army Central Command and the US European Command as an exit-strategy from Afghanistan.<sup>11</sup>

The NSR was planned to act in support of, and coordination with, the Heart of Asia-Istanbul Process, the mechanism of political cooperation which assembles states broadly bordering Afghanistan to implement confidence building measures to secure borders, and assist in Afghanistan’s development.

The NSR initiative is very specific, and goes beyond the current use of the term “New Silk Road”, referring to any commercial project involving trade between Asia and the West. The US-backed initiative links economic development and security, and puts Afghanistan at its centre,<sup>12</sup> aiming to revive trade between regions which once enjoyed vibrant commercial exchanges.

“For centuries,” former US Secretary of State Clinton explained at a NSR Ministerial Meeting, “the nations of South and Central Asia were connected to each other and the rest of the continent by a sprawling trading network called the Silk Road. Afghanistan’s bustling markets sat at the heart of this network. Afghan merchants traded their goods from the court of the Pharaohs to the Great Wall of China.”<sup>13</sup>

“[Nowadays], Turkmen gas fields could help meet both Pakistan’s and India’s growing energy needs and provide significant transit revenues for both Afghanistan

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<sup>9</sup> <http://www.state.gov/p/sca/rls/rmks/2013/206167.htm>

<sup>10</sup> <http://iipdigital.usembassy.gov/st/english/article/2011/07/20110720141544nehpets0.5934107.html#axzz315LYETgb>

<sup>11</sup> J. Kucera, (2011). *CENTCOM Getting On the "New Silk Road"*. EurasiaNet [Available at]

<http://www.eurasianet.org/node/62739>

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[http://www.csce.gov/index.cfm?FuseAction=ContentRecords.ViewTranscript&ContentRecord\\_id=546&ContentType=H,B&ContentRecordType=B](http://www.csce.gov/index.cfm?FuseAction=ContentRecords.ViewTranscript&ContentRecord_id=546&ContentType=H,B&ContentRecordType=B)

<sup>13</sup> <http://still4hill.com/2011/09/23/secretary-clintons-remarks-at-the-new-silk-road-ministerial-meeting/>

and Pakistan. Tajik cotton could be turned into Indian linens. Furniture and fruit from Afghanistan could find its way to the markets of Astana or Mumbai and beyond.”<sup>14</sup>

The best time to encourage the re-development of commercial exchanges on the ancient Silk Road routes is now, argues Frederick Starr; in fact, the Washington-based scholar says, “[b]y toppling the Taliban regime in 2001–2, the US accomplished what the collapse of the USSR failed to do, namely, to open the old southern border of the Soviet Union to transport and trade via Afghanistan to Pakistan, India, and beyond.”<sup>15</sup>

The NSR will be built in part on the routes used by the Northern Distribution Network (NDN), developed to deliver supplies to ISAF forces in Afghanistan. While the NDN created limited benefits for the local population, it left roads and border points which can now be used for NSR development.

The NSR prioritises strengthening North-South economic corridors linking landlocked Central Asia and Afghanistan with South Asia, providing them with access to the Indian Ocean and India’s booming economy. It also supports projects to increase East-West connectivity, and boost the flux of goods from Afghanistan and Central Asia to the Caucasus, Turkey, Europe and Russia.<sup>16</sup> Overall, the US has identified about 40 infrastructure projects as the main components of the NSR.<sup>17</sup>

The NSR is a long-term project which links economic cooperation to security, while embracing economic and security initiatives within the same framework. By the project’s logic, reconstructing commercial linkages broken by decades of conflicts will create regional and national revenues which will strengthen the capabilities of local governments, and decrease the support for insurgency in Afghanistan.<sup>18</sup> Furthermore, Kabul will be able to exploit its commercial potential, especially in the mining sector, and decrease its dependency on international aid.

A clear description of the NSR’s scope was provided by then-US Assistant Secretary of State Robert Blake Jr. at a press conference in Almaty, Kazakhstan, in 2012:

*“There are really two different parts to [the NSR]. First is what we [the US] call the software, which is trade liberalisation, reduction of non-tariff trade barriers, reducing delays on border clearances, and those kinds of obstacles to trade. The second is the equally important task of*

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<sup>14</sup> Ibid.

<sup>15</sup> F. Starr, (2011). *Afghanistan beyond the Fog of Nation Building: Giving Economic Strategy a Chance*. Silk Road Papers, The Central Asian Caucasus Institute & Silk Road Studies Program, Washington, p.13.

<sup>16</sup> <http://www.state.gov/p/sca/ci/af/newsilkroad/>

<sup>17</sup> J. Kucera, (2011). *The New Silk Road?* The Diplomat [Available at] <http://thediplomat.com/2011/11/the-new-silk-road/>

<sup>18</sup> G. Wright, (2015). US Policy towards Independent Central Asia: The Record and Key Variables, in *Islam in Eurasia: A Policy Volume*, Ed. by T. Simons Jr. Davis. Center for Russian and Eurasian Studies, Harvard University, Cambridge, pp. 21-31.



*all the infrastructure – the web of roads, pipelines, electricity transmission lines and so forth that are really the nuts and bolts of regional economic connectivity.”<sup>19</sup>*

Frederick Starr, one of key “ideologues” of the NSR initiative, strongly advocated that the US should concentrate on the “software” aspect, rather than the “hardware” part of the NSR, taking a long-term approach.<sup>20</sup>

## **The Pillars of the NSR**

The NSR aims to strengthen connectivity and exchanges between Afghanistan, Central and South Asia in four key areas: regional energy markets, trade and transport, customs and border operations and businesses and people-to-people contacts.

The US has established new regional platforms of dialogue in support of the NSR, and stepped up joint actions with existing bodies promoting regional cooperation in Central Asia and Afghanistan, notably the Central Asia Regional Economic Cooperation (CAREC) programme and the regular Regional Economic Cooperation Conference for Afghanistan (RECCA) conferences.

To date, CAREC, a practical and resource-oriented body which includes regional states as well as multinational institutions such as the World Bank (WB) and the Asian Development Bank (ADB), has funded some 136 projects, supporting mainly transport, energy and trade facilitation, valued at more than \$21 billion.<sup>21</sup> CAREC is now focussed on the reconstruction of the Afghan Ring Road, and on building a transportation corridor between the Central Asian states, Afghanistan and Pakistan ending in the Pakistani ports of Karachi and Gwadar.<sup>22</sup>

RECCA conferences give Afghanistan’s government the opportunity to present its priorities for economic development, and discuss with neighbouring countries initiatives in this regard. For instance, at the sixth RECCA conference, held in Kabul in September 2015, Afghanistan’s government underlined the necessity to give priority to the realisation of infrastructural projects linking Afghanistan to its neighbours.<sup>23</sup>

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<sup>19</sup> <http://iipdigital.usembassy.gov/st/english/texttrans/2012/08/20120815134719.html>

<sup>20</sup> J. Kucera (2011). *The New Silk Road?*

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[http://www.csce.gov/index.cfm?FuseAction=ContentRecords.ViewTranscript&ContentRecord\\_id=546&ContentType=H,B&ContentRecordType=B](http://www.csce.gov/index.cfm?FuseAction=ContentRecords.ViewTranscript&ContentRecord_id=546&ContentType=H,B&ContentRecordType=B)

<sup>22</sup> Ibid.

<sup>23</sup> C. Putz, (2015). *Capacity Remains One of Afghanistan's Biggest Obstacle*. The Diplomat [Available at] <http://thediplomat.com/2015/09/capacity-remains-one-of-afghanistans-biggest-obstacles/>

## Creating a Regional Energy Market: Linking Producers to Consumers

Central Asia is home to vast energy resources, exporting oil, gas and hydropower. On the other hand South Asian countries, particularly fast-growing and densely-populated India, are energy-deficient. Critical to the success of the NSR initiative is the creation of an energy market stretching across these two regions, and their connection through pipelines and electricity grids.

The Central Asia-South Asia Electricity Transmission and Trade Project (CASA-1000) is the NSR's flagship project to bring electricity from Kyrgyzstan and Tajikistan to Afghanistan and Pakistan.

Kyrgyzstan and Tajikistan, both boasting vast hydropower resources and capacity, currently lack markets to sell electricity to. Pakistan, with its population of 182 million, is energy-thirsty. Afghanistan needs electricity too, and could benefit from transit fees on energy supplies bound to Pakistan. In November 2015, the energy ministers of the four countries signed a final agreement for the realisation of the CASA-1000 project, which is expected to bring 1,000MW of excess seasonal electricity from Tajikistan and Kyrgyzstan to Pakistan, and 300MW to Afghanistan.<sup>24</sup> The US has earmarked \$15 million to construct a transnational power grid, and pledged to work in strict cooperation with the WB on the project, expected to conclude in 2018. The CASA-1000 project, a practical example of the NSR vision of the US, "can enhance economic interdependence and support peace and stability in the region for years to come," according to the US Department of State.<sup>25</sup>

The Turkmenistan-Uzbekistan-Tajikistan-Afghanistan-Pakistan Interconnection Concept (TUTAP) project, financed by the ADB to create an electricity market in the region, is well on its way to completion. Thanks to the TUTAP, Tajikistan exported 1.1 million MWh to Afghanistan in 2014,<sup>26</sup> and Turkmenistan plans to increase its electricity exports to Kabul.<sup>27</sup>

With regard to hydrocarbons, the Turkmenistan-Afghanistan-Pakistan-India gas pipeline (TAPI) is among the most important infrastructure projects supported by the NSR. The benefits of its construction may go beyond the creation of a Central-South Asia energy corridor.

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<sup>24</sup> <http://www.suchtv.pk/business/item/16852-casa-1000-pakistan-signs-casa-hydel-power-agreement.html#sthash.R9E5xZ67.dpuf>

<sup>25</sup> <http://news.tj/en/news/final-agreement-casa-1000-project-signed>

<sup>26</sup> <http://www.timesca.com/news/14890-tajikistan-exported-1-1-billion-kwh-of-electricity-to-afghanistan-in-2014>.

<sup>27</sup> H. Hasanov, (2015). *Turkmenistan Increases Electricity Export to Afghanistan*. Trend News Agency [Available at] <http://en.trend.az/business/economy/2432002.html>



The pipeline project has been long delayed due to security concerns and tense relations between participating countries. Scepticism over TAPI stems from the unstable security situation in Afghanistan and enduring tensions between India and Pakistan, both located on the pipeline route.<sup>28</sup> Today, however, the stalemate on the TAPI construction appears to have been resolved. Turkmenistan's President Gurbanguly Berdimukhamedov has said that TAPI construction will begin in December 2015<sup>29</sup>, and in September 2015, Turkmenistan's national gas company Turkmenengaz began surveying and engineering works on the proposed TAPI route.<sup>30,31</sup> The pipeline, which will originate from Turkmenistan's Galkynysh field, is planned to transport 33 bcm of natural gas annually, and deliver daily 0,014 bcm of natural gas to Afghanistan, and 0,038 bcm to India and Pakistan each.<sup>32</sup>

## **Railways, Roads and Trade Agreements to Link Central Asia, Afghanistan and South Asia**

Afghanistan is rich in natural resources, mainly iron, copper and gold. In 2010, the Pentagon estimated that Afghanistan has mineral deposits worth \$1 trillion, a figure since raised by the Afghan government to \$3 trillion.<sup>33</sup> However, the country lacks the infrastructure of exporting extracted mineral resources, making do with a 47-mile railway track linking the northern city of Mazar-i-Sharif with Uzbekistan.<sup>34</sup>

Developing railway infrastructure and linking it to neighbouring countries is critical for the future of Afghanistan's economy, as is rebuilding its roads, rendered impassable by lengthy conflict.

The Turkmenistan-Afghanistan-Tajikistan railway (TAT), whose Turkmen section was completed in 2015<sup>35</sup>, would be a game-changer - especially for Dushanbe and Kabul, both landlocked and isolated from the world's markets. The railway would provide Tajik and Afghan traders access to the Caspian ports and the Iranian open sea

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<sup>28</sup> [http://articles.economictimes.indiatimes.com/2015-08-30/news/66032954\\_1\\_pak-iran-south-asia-gas-gas-pipelinec](http://articles.economictimes.indiatimes.com/2015-08-30/news/66032954_1_pak-iran-south-asia-gas-gas-pipelinec)

<sup>29</sup> According to Turkmen officials, TAPI groundbreaking ceremony will be held in Turkmenistan on 13 December 2015.

<sup>30</sup> <http://www.chrono-tm.org/en/2015/09/turkmenistan-begins-work-on-tapi-pipeline/>

<sup>31</sup> [http://www.business-standard.com/article/news-ians/tapi-pipeline-project-to-begin-in-december-turkmenistan-115112500994\\_1.html](http://www.business-standard.com/article/news-ians/tapi-pipeline-project-to-begin-in-december-turkmenistan-115112500994_1.html)

<sup>32</sup> M. Tanchum, (2015). *A Breakthrough on the TAPI Pipeline?* The Diplomat, [Available at] <http://thediplomat.com/2015/03/a-breakthrough-on-the-tapi-pipeline/>

<sup>33</sup> G. Rathman, (2014). *Afghanistan's Minerals Await Vital Railroads*. Bloomberg Business [Available at] <http://www.bloomberg.com/bw/articles/2014-03-06/afghanistans-minerals-await-vital-railroads>

<sup>34</sup> The Mazar-i-Sharif – Hairatan railway was inaugurated in 2011.

<sup>35</sup> H. Hasanov, (2015). *Turkmenistan Builds Railway to Afghan Borders*. Trend News Agency. [Available at] <http://en.trend.az/business/economy/2457270.html>

ports, and it could also be linked to the recently-completed Turkmenistan-Iran railway.<sup>36</sup>

The construction of roads in Afghanistan has been a priority of the US, as a means of spurring economic development and enforcing security. As a US military commander pointed out, “[w]herever the road ends, that’s where the Taliban starts”.<sup>37</sup> The US military and USAID invested \$2 billion into the construction of roads in Afghanistan, supported by investment banks and other foreign donors.<sup>38</sup> Building roads in Afghanistan has proved to be difficult, due to the poor quality of labour and constant need for maintenance due to improvised explosive devices planted by insurgents. The reconstruction of the so-called “Afghan Ring Road”<sup>39</sup> linking all the major Afghan cities is still ongoing, and has so far cost \$3 billion.<sup>40</sup> International donors plan to institute a Road Authority to manage the maintenance and development of the road, and a Transportation Institute to train Afghan professionals in the road sector.<sup>41</sup>

The NSR initiative addresses not only physical trade and transport projects, but also “software” projects designed to increase dialogue between neighbouring countries on trade facilitation, and backs the accession of countries affected by NSR projects to international trade institutions.

The accession of Afghanistan and all Central Asian republics to the World Trade Organization (WTO) would be a significant step to breaking trade barriers, promoting a transparent legal regime, and increasing foreign investments in the region.<sup>42</sup> Kazakhstan has recently signed all major documents on joining the WTO after prolonged negotiations,<sup>43</sup> becoming the third WTO member state in Central Asia after Kyrgyzstan and Tajikistan. Afghanistan is on its way to joining the organisation, while Turkmenistan and Uzbekistan have expressed interest in joining the Geneva-based institution.<sup>44</sup>

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<sup>36</sup> J.C.K. Daly, (2015). *Turkmenistan-Afghanistan-Tajikistan Railway Advances Further*. Silk Road Reporters

[Available at] <http://www.silkroadreporters.com/2015/02/03/turkmenistan-afghanistan-tajikistan-railway-advances/>

<sup>37</sup> K. Sieff, (2014). *After billions in U.S. investment, Afghan roads are falling apart*. The Washington Post. [Available at] [https://www.washingtonpost.com/world/asia\\_pacific/after-billions-in-us-investment-afghan-roads-are-falling-apart/2014/01/30/9bd07764-7986-11e3-b1c5-739e63e9c9a7\\_story.html](https://www.washingtonpost.com/world/asia_pacific/after-billions-in-us-investment-afghan-roads-are-falling-apart/2014/01/30/9bd07764-7986-11e3-b1c5-739e63e9c9a7_story.html)

<sup>38</sup> Ibid.

<sup>39</sup> The Afghan Ring Road is a highway linking Kabul, Mazar-i-Sharif, Kandahar and Herat. Two-thirds of Afghanistan’s population live within 20 miles from the road. Its Herat-Faryab segment is still not completed.

<sup>40</sup> C. Sennot, (2015). *Foreverstan: Afghanistan's Ring Road Offers a Look at America's Continuing War*. The Huffington Post [Available at] [http://www.huffingtonpost.com/the-groundtruth-project/foreverstan-afghanistans\\_b\\_7101308.html](http://www.huffingtonpost.com/the-groundtruth-project/foreverstan-afghanistans_b_7101308.html)

<sup>41</sup> Q. Suroush, (2015). *Going in Circles: The Never-ending Story of Afghanistan’s Unfinished Ring Road*. Afghanistan Analysts Network. [Available at] <https://www.afghanistan-analysts.org/going-in-circles-the-never-ending-story-of-afghanistans-unfinished-ring-road/>

<sup>42</sup> R. Weitz, (2015), *U.S. New Silk Road Initiative Needs Urgent Renewal*. The Central Asia Caucasus Analyst. [Available at] <http://www.cacianalyst.org/publications/analytical-articles/item/13155-us-new-silk-road-initiative-needs-urgent-renewal.html>

<sup>43</sup> [https://www.wto.org/english/news\\_e/news15\\_e/acc\\_kaz\\_27jul15\\_e.htm](https://www.wto.org/english/news_e/news15_e/acc_kaz_27jul15_e.htm)

<sup>44</sup> R. Weitz, (2015), *U.S. New Silk Road Initiative Needs Urgent Renewal*.

A number of bilateral and multilateral trade and transport agreements have also been signed, thanks to US support. The Afghanistan-Pakistan Transit and Trade Agreement (APTTA), a pillar of the NSR, was signed in 2010 after a lengthy diplomatic campaign,<sup>45</sup> while a transit and trade agreement between Kyrgyzstan, Tajikistan and Afghanistan was ratified in 2013.<sup>46</sup>

## **Cutting Border Delays and Building Contacts**

Modern infrastructure and favourable trade agreements will not facilitate the movement of goods if borders remain sealed, and cargo spends days awaiting custom clearance.

According to an ADB survey conducted among 1,000 truck drivers transiting through Afghanistan, the main obstacle to trade in the region is bureaucracy at borders, rather than security threats or poor infrastructure.<sup>47</sup> A report by the UN Economic and Social Commission for Asia and the Pacific (ESCAP) has revealed that goods shipped through Central Asia spend the majority of the shipping time stuck at borders while customs clearance is carried out.<sup>48</sup> To address these issues, new border points have been constructed with US support, and a Border Management Staff College run by the Organisation for Security and Cooperation in Europe (OSCE) was opened in Tajikistan's capital of Dushanbe, together with a Customs Training Facility in Bishkek, Kyrgyzstan.<sup>49</sup>

The fight against corruption in customs administration is crucial to the development of regional trade and the success of the NSR: as one scholar argues, “ the reduction of graft and red tape at the borders will do more to strengthen regional economic connectivity and increase the variety of market options for Central Asian states than any other policy action”.<sup>50</sup>

Similarly, revitalising trade in Afghanistan and Central Asia is also about fostering the development of small and medium enterprises (SMEs), encouraging people-to-people contacts, sharing ideas and creating new opportunities for youth and women in particular.<sup>51</sup> The US, as part of the NSR strategy, has funded scholarships for Afghan

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<sup>45</sup> <http://kabul.usembassy.gov/statment-18710.html>

<sup>46</sup> CAREC Program (2013), [http://www.carecprogram.org/uploads/events/2013/TSCC-meeting-KAZ/003\\_102\\_209\\_cross-border-transport-agreement.pdf](http://www.carecprogram.org/uploads/events/2013/TSCC-meeting-KAZ/003_102_209_cross-border-transport-agreement.pdf)

<sup>47</sup> F. Starr; A. Kuchins, (2010). *The Key to Success in Afghanistan: A Modern Silk Road Strategy*, p.26.

<sup>48</sup> Ibidem, p. 34.

<sup>49</sup> V. Fedorenko, (2013). *The New Silk Road Initiatives in Central Asia*. Working Paper 10, The Rethink Institute, Washington, p.7.

<sup>50</sup> A. Kuchins, (2013). *Why Washington Needs to Integrate the New Silk Road with the Pivot to Asia*. Asia Policy. N.16, pp.175-181.

<sup>51</sup> <http://www.state.gov/p/sca/ci/af/newsilkroad/>

students to study abroad, as well as projects promoting female entrepreneurship and connecting private sector investors and entrepreneurs in the region.<sup>52</sup>

The main initiative in this regard is the annual Central Asian Trade Forum, funded by USAID. Last year's edition of the forum brought together over 400 entrepreneurs from Central Asia, Afghanistan and South Asia as well as representatives of regional governments and international organisations. This pragmatic initiative helps to establish contacts between businesses, and every year many new contracts are signed between enterprises present at the meeting.<sup>53</sup>

### Assessing Achievements and Challenges to the Initiative

Many analysts remain sceptical on the outcome of the NSR initiative. Journalist Joshua Foust has dubbed the NSR a “great idea that needs a heavy dose of realism”.<sup>54</sup> Similarly, George Gavrilis, an expert on Central Asia, considers the NSR a fantastic project, but one that is unlikely to be successfully implemented, citing a lack of commitment among countries in the region.<sup>55</sup>

The commitment of some Central Asian states, namely Turkmenistan and Uzbekistan, to improving the business climate is estimated by experts as low.<sup>56</sup> Kazakhstan is undoubtedly the most enthusiastic regional actor in the NSR project,<sup>57</sup> and the initiative has been welcomed by President Nursultan Nazarbayev.<sup>58</sup> Astana is willing to improve its trade regime with other countries in the region, and make of the Caspian port of Aktau a fulcrum of the NSR.<sup>59</sup>

NSR scepticism also derives from concerns over the stability of post-war Afghanistan, and the risks implicit in doing business with Kabul. Central Asian countries frequently view Afghanistan in security terms only, without considering economic opportunities.<sup>60;61</sup>

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<sup>52</sup> J. McBride, (2015). *Building the New Silk Road*.

<sup>53</sup> USAID, (2014). *The Fourth Central Asia Trade Forum – Good for Almaty, Good for the Region, Good for the World*. [Available at] <https://www.usaid.gov/documents/1861/fourth-central-asia-trade-forum-good-almaty-good-region-and-good-world>

<sup>54</sup> J. Foust, (2011). *The Brilliant, Unworkable Silk Road*. The Atlantic [Available at] <http://www.theatlantic.com/international/archive/2011/10/the-brilliant-unworkable-new-silk-road/246425/>

<sup>55</sup> J. Kucera, (2011). *The New Silk Road?*

<sup>56</sup> J. Foust, (2011). *The Brilliant, Unworkable Silk Road*.

<sup>57</sup> [http://www.csce.gov/index.cfm?FuseAction=ContentRecords.ViewTranscript&ContentRecord\\_id=546&ContentType=H,B&ContentRecordType=B](http://www.csce.gov/index.cfm?FuseAction=ContentRecords.ViewTranscript&ContentRecord_id=546&ContentType=H,B&ContentRecordType=B)

<sup>58</sup> V. Fedorenko, (2013). *The New Silk Road Initiatives in Central Asia*, p.20.

<sup>59</sup> J. Kucera, (2012). *Kazakhstan: Astana Touts Caspian Port as NDN Hub*. EurasiaNet [Available at] <http://www.eurasianet.org/node/65417>

<sup>60</sup> E. Marat, (2014). *Following the New Silk Road*. The Diplomat. [Available at] <http://thediplomat.com/2014/10/following-the-new-silk-road/>

Regional rivalries also affect the completion of key NSR projects. Tensions between upstream and downstream states in Central Asia hamper the construction of electrical power transmission lines to export hydroelectricity. These tensions have cast the CASA-1000 project into doubt - with Uzbekistan publicly expressing its concerns on the initiative via a letter from its Ministry of Finance to the WB, main sponsor of the CASA-1000<sup>62</sup> - while long-lasting rivalries between Pakistan and India have jeopardized the TAPI and APTTA projects.<sup>63; 64</sup>

However, the recent decisive announcements concerning the construction of the CASA-1000 and the TAPI pipeline show that diplomatic efforts and the prospect of economic benefits can help to assuage such rivalries and tensions. The issues presented above show that advancing the NSR initiative will certainly not be an easy task. Yet, some remarkable progress has been made, especially in the removal of trade barriers, the reduction of border delays (the average release time for cargo in Afghanistan has dropped from eight days in 2009 to three and a half hours in 2013<sup>65</sup>), and the momentum granted to regional trade. As US diplomat Richard Hoagland pointed out at the 5<sup>th</sup> Annual Turkic-American Convention, “progress is happening. Since 2009, intraregional trade in Central Asia has increased by 49%, and, since 2011, the cost of moving goods across regional borders has decreased by 15%.”<sup>66</sup>

## How Many Silk Roads Are Being Planned?

The NSR is by no means the sole initiative planned to enhance economic development and infrastructural connectivity in Central Asia and Afghanistan. The rise of competing projects has revived talks about a “New Great Game” taking place in the region - a 21<sup>st</sup> century version of the Great Game, the 19<sup>th</sup> century strategic rivalry between the British and the Russian empires over supremacy in Central Asia.<sup>67</sup> (Although one should note that countries in the region are adamant that the developments in policy plays in the region should not be seen as a revival of the Great Game, and instead advocate for a mutually beneficial “Great Gain for All” concept.<sup>68</sup>)

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<sup>61</sup> A. Kuchins; J. Mankoff, (2015). *Central Asia in a Reconnecting Eurasia: U.S. Policy Interests and Recommendations*.

<sup>62</sup> World Bank. <http://www.worldbank.org/content/dam/Worldbank/document/eca/central-asia/Main-Letter-Ms-G-Saidova-en.pdf>

<sup>63</sup> Recently, Kabul accused Pakistan of violating the APTTA, as Afghan goods were not let into India due to restrictions applied on the Pakistani side of the border.

<sup>64</sup> <http://www.dawn.com/news/1179172>

<sup>65</sup> <http://www.state.gov/p/sca/ci/af/newsilkroad/>

<sup>66</sup> <http://www.state.gov/p/sca/rls/rmks/2015/239512.htm>

<sup>67</sup> R. Berke, (2015). *New Silk Road Could Change Global Economics Forever*. [Available at]

<http://oilprice.com/Energy/Energy-General/New-Silk-Road-Could-Change-Global-Economics-Forever.html>

<sup>68</sup> <http://www.diplomaticourier.com/2015/11/13/the-great-gain-not-the-great-game-how-kazakhstan-is-charting-its-own-course-in-the-world/>



Several recent developments have signalled a new, stronger engagement by the EU in Central Asia. The EU Strategy for Central Asia (hereinafter, “the Strategy”), the main EU mechanism for engagement with the region, was reviewed and updated in June 2015 and will cover the period between 2014 – 2020, enjoying a total allocation of resources of EUR 1068 million, a significant 56% increase compared to the 2007 - 2013 period.<sup>69</sup> This year Brussels appointed a new Special Representative for Central Asia and, for the first time, initialled an Enhanced Partnership and Cooperation Agreement (EPCA) with Kazakhstan, the deepest possible framework of bilateral cooperation for an EU non-neighbour state.

Having reviewed the Strategy, the Council of the European Union – the body in charge of outlining the main political and strategic directions of the EU – called “for strengthening trade and energy links between the EU and Central Asian countries and reinforcing cooperation on security and stability”, and involving Afghanistan in further dialogue initiatives with Central Asian states, since stabilising Afghanistan is a priority for both the EU and the five Central Asian republics.<sup>70</sup> The reviewed Strategy stresses the need to continue improving the regional investment climate and border management and security via the BOMCA (Border Management Programme in Central Asia) programme, one of the most successful EU initiatives in Central Asia. It also delineates EU plans to increase energy supplies from Central Asian countries and develop a Southern Gas Corridor from the Caspian Sea to Europe, following Brussels’ strategy to diversify its energy suppliers amidst international tensions with Russia.<sup>71</sup>

Since the early 1990’s, the EU has attempted to enhance connectivity with Central Asia through the INOGATE (INterstate Oil and GAs Transportation to Europe)<sup>72</sup>, a project for energy market integration and energy policy cooperation, and the TRACECA (TRANsport Corridor Europe-Caucasus-Asia) programme.<sup>73</sup> In particular, the TRACECA programme aims to create “a Silk Route of the 21<sup>st</sup> century” by improving infrastructural links between Europe and Asia.<sup>74</sup> Both the TRACECA and INOGATE, flagship EU initiatives in the region, have great potential to improve East-West connectivity, but, in recent years, they had lost momentum and interest among EU member countries and in Brussels. Now the approach seems to be different. As pointed out in the new Strategy, the EU is committed to rebooting the

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<sup>69</sup> [http://eeas.europa.eu/delegations/kazakhstan/documents/press\\_corner/2015/fac\\_22\\_june\\_2015\\_en.pdf](http://eeas.europa.eu/delegations/kazakhstan/documents/press_corner/2015/fac_22_june_2015_en.pdf)

<sup>70</sup> <http://www.consilium.europa.eu/en/press/press-releases/2015/06/22-fac-central-asia-conclusions/>

<sup>71</sup> European Commission (2015). Joint Staff Working Document. *Progress Report on the Implementation of the EU Central Asia Strategy*, pp. 19-23. [Available at]

[http://www.parlament.gv.at/PAKT/EU/XXV/EU/05/32/EU\\_53204/imfname\\_10524558.pdf](http://www.parlament.gv.at/PAKT/EU/XXV/EU/05/32/EU_53204/imfname_10524558.pdf)

<sup>72</sup> Member countries to the INOGATE project are Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkey, Turkmenistan, Ukraine and Uzbekistan.

<sup>73</sup> The TRACECA programme involves European Union and 13 countries in Europe and Asia: Armenia, Azerbaijan, Bulgaria, Georgia, Iran, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Ukraine and Uzbekistan.

<sup>74</sup> <http://www.traceca-org.org/en/home/the-silk-road-of-the-21st-century/>



INOGATE and TRACECA programmes as part of Brussels' plans to develop infrastructures connecting Central Asia and Europe in the years to come.<sup>75</sup>

China has also developed a very articulated project to enhance its trade and connectivity to Europe through Central Asia. In 2013, Chinese President Xi Jinping announced his country's plans to build a Silk Road Economic Belt (SREB). The Chinese project, announced by Xi while on a visit in Astana, is now known as One Belt One Road (OBOR) strategy, and includes several terrestrial routes and one maritime route linking China to Europe.

The OBOR project, potentially involving an area that covers 55% of the world's GNP and 70% of its population, as well as 75% of known energy reserves,<sup>76</sup> has been regarded by Chinese analysts as one of the biggest foreign policy initiatives undertaken by China in decades. Experts say the OBOR will face risks similar to those of the NSR, such as security threats on the main routes, geopolitical rivalries, as well as bureaucracy and unfriendly trade regulations adopted by the countries it crosses.<sup>77</sup>

These Chinese initiatives are exclusively economic in nature, focussing on building new infrastructure and creating new economic opportunities.<sup>78</sup> Beijing is keen to seek new markets to sell goods unaccounted for by a tentative internal demand.<sup>79</sup>

Kazakhstan, already a major supplier of hydrocarbons, is a key country in China's OBOR project. Beijing's SREB routes pass through Kazakhstan's steppe and have a major "land port" at Khorgos-Eastern Gate, the special economic zone established at the Kazakh-Chinese border to increase trade between the two countries.<sup>80</sup> Beijing has pledged to invest \$600 million in Kazakhstan Temir Zholy, the country's national railway company, to enhance connectivity and decrease journey time to Europe.<sup>81</sup> Kazakhstan borders the restive Chinese province of Xinjiang where separatist and terrorist groups are active. The low socio-economic development of Xinjiang has

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<sup>75</sup> European Commission (2015). Joint Staff Working Document. *Progress Report on the Implementation of the EU Central Asia Strategy*, pp. 19-23. [Available at]

[http://www.parlament.gv.at/PAKT/EU/XXV/EU/05/32/EU\\_53204/imfname\\_10524558.pdf](http://www.parlament.gv.at/PAKT/EU/XXV/EU/05/32/EU_53204/imfname_10524558.pdf)

<sup>76</sup> F. Godement & A. Kratz (eds.), (2015). "One Belt, One Road": *China's great leap outward*. China Analysis, The European Council on Foreign Relations.

<sup>77</sup> R. Pantucci; Q. Chen, (2015). The Geopolitical Roadblocks, in F. Godement & A. Kratz (eds.), "One Belt, One Road": *China's great leap outward*.

<sup>78</sup> A.C. Kuchins, (2013). *Why Washington Needs to Integrate the New Silk Road with the Pivot to Asia*.

<sup>79</sup> World Bank, <http://data.worldbank.org/indicator/NE.CON.PETC.ZS>

<sup>80</sup> J.C.K. Daly, (2015). *Why Kazakhstan is Key to China's Central Asia Strategy*. Silk Road Reporters [Available at] [http://www.silkroadreporters.com/2015/07/14/why-kazakhstan-is-key-to-chinas-central-asia-strategy/?utm\\_source=Subscribers&utm\\_campaign=5bed1fa7fc-RSS\\_EMAIL\\_CAMPAIGN&utm\\_medium=email&utm\\_term=0\\_f95a626cec-5bed1fa7fc-188463601](http://www.silkroadreporters.com/2015/07/14/why-kazakhstan-is-key-to-chinas-central-asia-strategy/?utm_source=Subscribers&utm_campaign=5bed1fa7fc-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_f95a626cec-5bed1fa7fc-188463601)

<sup>81</sup> G. Kamalova, (2015). *China to Invest \$600m in Kazakh Railway Company*. Tengrinews [Available at] [http://en.tengrinews.kz/politics\\_sub/China-to-invest-600m-in-Kazakh-railway-company-261900/?utm\\_source=Subscribers&utm\\_campaign=1e28dc4f8b-RSS\\_EMAIL\\_CAMPAIGN&utm\\_medium=email&utm\\_term=0\\_f95a626cec-1e28dc4f8b-188463601](http://en.tengrinews.kz/politics_sub/China-to-invest-600m-in-Kazakh-railway-company-261900/?utm_source=Subscribers&utm_campaign=1e28dc4f8b-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_f95a626cec-1e28dc4f8b-188463601)

contributed to the rise of separatist groups, and economic growth in the province is a priority on Beijing's agenda.<sup>82</sup>

China is also expanding its links with South Asia and Afghanistan. Through the China-Pakistan Economic Corridor (CPEC), Beijing intends to develop a new trade and transport route connecting Western China to the Pakistani port of Gwadar.<sup>83</sup> A railway link connecting Afghanistan to Pakistan to export Afghan copper via Pakistan is on Beijing's agenda,<sup>84</sup> while a preliminary agreement on the construction of a railway route connecting China to Afghanistan and Iran through Kyrgyzstan and Tajikistan has been signed.<sup>85</sup>

The OBOR strategy is backed by impressive financial resources. Overall, it will receive about \$300 billion from China, \$890 billion of public investment from the China Development Bank and \$40 billion from the Silk Road Fund to help infrastructure development,<sup>86</sup> on top of financing by private investors and international donors<sup>87</sup>, including the newly-founded Asian Infrastructure Investment Bank (AIIB).<sup>88</sup>

Russia has been promoting the initiative to increase regional economic integration, trade and connectivity: the Eurasian Economic Union (EAEU). Founded on the basis of the Customs Union between Russia, Belarus and Kazakhstan, established in 2010 and officially in force since January 2015, the EAEU aims to create a single market for the free movement of goods, labour, capital and services over a population of 180 million people,<sup>89</sup> and now includes Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan, with Tajikistan likely to join soon.<sup>90</sup>

India, the fifth-largest donor in Afghanistan's reconstruction process,<sup>91</sup> has pursued stronger initiatives aimed at integration with neighbouring countries since President Narendra Modi took office in May 2014.<sup>92</sup> India has signed a new Strategic Partnership with the US to increase infrastructure connectivity and economic development linking South and Central Asia by "enhancing energy transmission and encouraging free trade and greater people-to-people linkages".<sup>93</sup>

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<sup>82</sup> S. Tiezzi, (2015). *China's Silk Road in the Spotlight as Xi Heads to Kazakhstan*. The Diplomat [Available at] <http://thediplomat.com/2015/05/chinas-silk-road-in-the-spotlight-as-xi-heads-to-kazakhstan/>

<sup>83</sup> <http://www.dawn.com/news/1194014>

<sup>84</sup> F. Starr; A. Kuchins, (2010). *The Key to Success in Afghanistan: A Modern Silk Road Strategy*, p.19.

<sup>85</sup> [http://www.china.org.cn/business/2014-12/10/content\\_34283715.htm](http://www.china.org.cn/business/2014-12/10/content_34283715.htm)

<sup>86</sup> <http://www.reuters.com/article/2014/11/08/us-china-diplomacy-idUSKBN0IS0BQ20141108>

<sup>87</sup> F. Godement, (2015). "One Belt, One Road": China's great leap outward.

<sup>88</sup> <http://www.bbc.com/news/world-asia-33307314>

<sup>89</sup> <http://www.rferl.org/content/kyrgyzstan-eurasian-economic-union/27184629.html>

<sup>90</sup> <http://news.tj/en/news/tajikistan-may-join-eurasian-economic-union-next-year>

<sup>91</sup> Among other initiatives, India has reconstructed a highway linking Afghanistan to Iran's southern coast.

<sup>92</sup> J. McBride (2015). *Building the New Silk Road*.

<sup>93</sup> <https://www.whitehouse.gov/the-press-office/2015/01/25/us-india-joint-strategic-vision-asia-pacific-and-indian-ocean-region>

New Delhi plans to develop its own Silk Road too, purportedly earmarking between \$1 billion and \$5 billion to fund initiatives to increase infrastructural links and trade between India and other Asian countries.<sup>94</sup> India is developing Iran's Chabahar port which can give it access to Afghanistan, and become a fundamental part of an economic corridor linking India to Central Asia and Afghanistan, as well as a response to counter China's plans to make of Pakistan's Gwadar port a hub for Chinese trade and shipments.<sup>95</sup>

The main obstacles to India's Silk Road plans are rooted in its rivalries with Pakistan and China, both located on the way to Afghanistan and Eurasia.

### **Concluding Remarks: Where Is the NSR Headed?**

Regional expert Erica Marat argues that, in order to trump Chinese and Russian projects for the region, the NSR should include aspects that these rival initiatives lack. According to her, with the Chinese OBOR focussing almost exclusively on "hard" infrastructure, Washington should develop the NSR's "software" dimension, expanding its focus on reform programmes and assistance to entrepreneurs and SMEs.<sup>96</sup> Similarly, Kuchins and Mankoff say that the US should focus on "economic diplomacy", creating new training programmes for regional entrepreneurs, and promoting technology exchange and US private investment.<sup>97</sup>

Following the revision of the US Strategy for Central Asia,<sup>98</sup> the Obama administration placed greater emphasis on the importance of building soft infrastructure.<sup>99</sup> In this regard, facilitating the accession to the WTO of all the countries involved in the NSR project is crucial to harmonising tariffs and trade regime in the region. US officials have declared that the NSR approach will be less security- and "Afghan-centric" going forward.<sup>100</sup>

Although this financial year's budget request for US foreign assistance to Central Asia is \$113.7 million, 24% lower than in 2011, the US will be able to re-direct

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<sup>94</sup> V. Beniwal; N. Obiko Pearson (2015). *Modi Follows China with Proposal to Expand Loans across Asia*. Bloomberg Business [Available at] <http://www.bloomberg.com/news/articles/2015-04-21/following-china-s-silk-road-modi-to-expand-loans-across-asia>

<sup>95</sup> H.V. Pant, (2015). *India's Modi Turns the Tables on China*. Emerging Equity [Available at] <http://emergingequity.org/2015/06/06/indias-modi-turns-the-tables-on-china/>

<sup>96</sup> E. Marat, (2014). *Following the New Silk Road*.

<sup>97</sup> A. Kuchins; J. Mankoff, (2015). *Central Asia in a Reconnecting Eurasia: U.S. Policy Interests and Recommendations*, p. 8.

<sup>98</sup> C. Schreck, (2015). *U.S. Reassesses Central Asia Strategy*.

<sup>99</sup> A. Kuchins; J. Mankoff, (2015). *Central Asia in a Reconnecting Eurasia: U.S. Policy Interests and Recommendation*, p.7.

<sup>100</sup> J. Mankoff; R. Ghiasy, (2015). *Central Asia's Future: Three Powers, Three Visions*. The Diplomat [Available at] <http://thediplomat.com/2015/05/central-asias-future-three-powers-three-visions/>

resources freed up by the withdrawal of military forces from Afghanistan to Central Asia, instead increasing economic development and infrastructural connectivity.<sup>101</sup>

The US should increase the high-level engagement of its senior leaders in support of the NSR initiative. US Secretary of State John Kerry's recent Central Asian tour has re-emphasized US interest in the region, however no US President has ever visited any of the five Central Asian nations.<sup>102</sup> To increase the commitment of regional governments to the NSR success, US officials should emphasise the importance of the region to Washington, and a presidential visit to Central Asia would surely provide a dramatic boost to the NSR project.<sup>103</sup> Giving more space to regional governments in the NSR decision-making process (currently mostly "donor-driven") would also increase the interest of regional states in the project. NSR initiatives could be coordinated with the development plans of Central Asian states, such as Kazakhstan's new *Nurly Zhol* economic policy which looks to enhance regional connectivity and infrastructure.

Already in 2013, regional expert Jeffrey Mankoff advocated cooperation between the three main regional actors - the US, China and Russia - to ensure security and stability in the region after the ISAF drawdown from Afghanistan.<sup>104</sup> This argument remains valid and many now agree on the necessity to coordinate the initiatives of global powers in the region, including long-standing US allies such as the EU and India.<sup>105</sup> US officials stated that efforts to increase connectivity between Central Asia, Afghanistan and the outer world should be coordinated as there is no longer any "zero-sum" game between global powers over the control of Central Asia.<sup>106</sup>

In addition, Chinese analysts have urged the US and China to cooperate on the development of infrastructure in the region.<sup>107</sup> China is working mainly on an East-West Silk Road, while the US-backed NSR stretches more in a North-South direction; therefore, the two projects are in principle complementary and can intersect.

Current tensions between Russia and the West make coordination between NSR and EAEU initiatives a rather remote possibility. However, the harmonisation of tariffs and the free trade regime in force between EAEU member states in Central Asia might spur intra-regional trade, and bring benefits to NSR initiatives too.

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<sup>101</sup> T. Simons Jr (Ed.), (2015). *Islam in Eurasia: A Policy Volume*.  
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<http://www.eurodialogue.eu/It%E2%80%99s%20time%20for%20U.S.%20President%20to%20visit%20Central%20Asia.%20director%20of%20Eurasia%20Center%20at%20Atlantic%20Council%20in%20Washington%20says>

<sup>103</sup> A. Kuchins; J. Mankoff, (2015). *Central Asia in a Reconnecting Eurasia: U.S. Policy Interests and Recommendations*, p.9.

<sup>104</sup> J. Mankoff, (2013). *The United States and Central Asia after 2014*. Washington, DC, Center for Strategic and International Studies.

<sup>105</sup> J. Mankoff; R. Ghiasy, (2015). *Central Asia's Future: Three Powers, Three Visions*.

<sup>106</sup> <http://www.state.gov/s/d/2015/240013.htm>

<sup>107</sup> J. Mankoff; R. Ghiasy, (2015). *Central Asia's Future: Three Powers, Three Visions*.

But it is through cooperation with the EU and India, two of the US' closest allies and both ready to coordinate their initiatives with the NSR, that the US-sponsored initiative could receive the greatest benefits. In particular, the EU's priorities for engagement with Central Asia as outlined in the new Strategy are very much in line with the directions of the NSR. Indeed, the Strategy pays particular attention to the stabilisation of Afghanistan, and contains both elements of hard infrastructure development, such as boosting the connectivity between Central Asia and Europe to increase energy supplies and trade with the region, and soft infrastructure enhancement, such as promoting a more favourable business climate in the region, fostering the exchange of know-how between European and Central Asian companies, as well as improving custom procedures.

Despite these similarities, little cooperation and coordination between the US and EU on the realisation of the NSR has been achieved so far. The EU Council stated that in implementing its new Strategy in Central Asia, the EU will increase the dialogue with other regional actors "seeking synergies between our [the EU] respective policies and initiatives on such issues as security, inter-connectivity, transport, energy and sustainable development, including possibilities arising from "Silk Road" initiatives".<sup>108</sup> Following this new approach, the EU should now step up efforts to highlight its role in the NSR and avoid missing an opportunity to strengthen its commercial and infrastructural linkages with the Asian continent and contribute to enhance the level of security in Afghanistan.<sup>109</sup> For instance, revitalising the EU-funded TRACECA programme and linking it to Afghanistan might be the most practicable solution to connecting the NSR to European markets.

The US and the EU are long-time allies and share a common vision on many foreign policy issues. All this makes the EU the most suitable partner for the NSR development and an indispensable ally to achieve concrete results helping Afghanistan's stabilisation and increasing the prosperity of the whole region.

The NSR's vision differentiates from competing projects because its main promoter, the US, will derive little direct gain from the initiative. Unlike China or Russia, Washington will receive only slight economic return from the future success of its own initiative.<sup>110;111</sup> American interest is mainly a benign one, aimed at stabilising Afghanistan.<sup>112</sup> As governments in Central Asia are becoming increasingly anxious about the future of Afghanistan,<sup>113</sup> it is in their best interests to back the NSR

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<sup>108</sup> Ibidem, p. 8.

<sup>109</sup> S. Lain (2015). Western Europe is Missing the Boat on China's Silk Road: the Opportunity is there, but Will Western Europe Seize it?. *The Diplomat*. [Available at] <http://thediplomat.com/2015/10/western-europe-is-missing-the-boat-on-chinas-silk-road/>

<sup>110</sup> A. Kuchins; J. Mankoff, (2015). *Central Asia in a Reconnecting Eurasia: U.S. Policy Interests and Recommendations*, p. 8

<sup>111</sup> V. Fedorenko, (2013). *The New Silk Road Initiatives in Central Asia*.

<sup>112</sup> [http://www.csce.gov/index.cfm?FuseAction=ContentRecords.ViewTranscript&ContentRecord\\_id=546&ContentType=H,B&ContentRecordType=B](http://www.csce.gov/index.cfm?FuseAction=ContentRecords.ViewTranscript&ContentRecord_id=546&ContentType=H,B&ContentRecordType=B)

<sup>113</sup> B. Tigner, (2014). *Central Asia braces for fall-out from ISAF withdrawal*. IHS Jane's Defence Weekly [Available at]

initiative, a win-win project which would not only bring economic prosperity, but also reinforce regional security.

As US Deputy Secretary General Blinken pointed out, “[t]he images of the old Silk Road – when Central Asia was truly at the crossroads of civilization – does not have to be just a memory. Past can become prologue.”<sup>114</sup> Indeed, if global powers coordinate their initiatives, and all the countries involved in the NSR fully commit to the project, the dream of Kazakhstan’s Foreign Minister, Erlan Idrissov, who imagined a day when one can have “breakfast in Amritsar, lunch in Aktau and dinner in Dusseldorf”<sup>115</sup> might soon become a reality.

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<http://www.janes.com/article/44988/central-asia-braces-for-fall-out-from-isaf-withdrawal>

<sup>114</sup> <http://www.state.gov/s/d/2015/240013.htm>

<sup>115</sup> J. Kucera, (2012). *Kazakhstan: Astana Touts Caspian Port as NDN Hub*.



## ABOUT THE ECFA

Central Asia is a region larger than Western Europe and contains five countries: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Blessed with some of the richest and most diverse resources anywhere in the world, over the last twenty years the region has shown its commitment to become a reliable, long-term partner of the West.

Kazakhstan is Central Asia's engine for economic growth, and the Government of Kazakhstan has taken the lead in developing relations with the European Union. In its commitment to the process of deepening political and economic relations with the European Union, Kazakhstan is participating in the establishment of the **Eurasian Council on Foreign Affairs** (ECFA), which is a new and dynamic think tank working at the heart of the European Union.

The first Honorary President of the Eurasian Council on Foreign Affairs is H.E. Erlan Idrissov, Foreign Minister of the Republic of Kazakhstan.

The Eurasian Council on Foreign Affairs has been modelled on the Council on Foreign Relations in the US, the United Kingdom's Royal Institute of International Affairs at Chatham House and the EU's own European Council on Foreign Relations. It is envisaged that over time, the Eurasian Council on Foreign Affairs will become a valuable and independent source of high-quality research, publications and information that will keep Europe fully abreast of the fast-changing development of the Central Asian region. This is a work-in-progress, and it will require dedication and commitment from the ECFA's team of researchers and writers.

The grant for the establishment costs of the ECFA has been provided by the Ministry of Foreign Affairs of the Republic of Kazakhstan. The ECFA and its staff are grateful for this generous donation and thank the MFA. It is envisaged that, as with similar institutions in other countries, governments in the region as well as corporate sponsors and private individuals will over the longer-term join the funding base of the ECFA.

A list of upcoming publications can be [found here](#). The formal launch of the ECFA took place in November 2014, attended by distinguished members of its [Advisory Council](#). The ECFA's first Director, Rauan Kenzhekhanuly, provided regular news updates on the region in his [Blog](#), while the new Director, Zhanbolat Ussenov, has come on board in early 2015 to continue steer the new organization and he has begun providing his views too. You can [subscribe here](#) to receive all news updates as well as the ECFA's regular newsletters and bulletins.

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